



## THE FIRST NATIONAL BANK OF DENNISON

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FFIEC, Program Coordinator  
3501 Fairfax Drive, Room 3086  
Arlington, VA 22226

**RE: ATTACHMENT 70 FR 24576**

Greetings:

Thank you for the opportunity to comment on this advisory. Let me start by commending the writers of this advisory on their complete grasp of the issues involved. This attempt by the accounting profession to eliminate themselves from nearly all types of liability for their own work is the most egregious abuse of power I have seen in my 26 years of banking.

I am familiar with the operations of a number of professions, including banking. In every line of work, when you are negligent, you are responsible for the consequences of your negligence – period! Many of the clauses in current audit engagement letters require the negligent audit firm to rise to the level of “gross negligence” or “willful misconduct” before they can have responsibility and liability. Under Ohio law, it is nearly impossible to ever reach this level. The audit firm would have to intentionally harm the bank to be responsible. Since this would almost never happen, there would seldom be any exposure to liability.

This advisory should apply to all financial institutions, regardless of size or charter. The short-term effect will undoubtedly be higher audit fees, but I would argue that these have already been built into the system as a direct result of Sarbanes-Oxley legislation. Eventually, competition for business in a consolidating industry should bring price stability to the marketplace.

I believe your current text is right on point. I can offer no additions or corrections. Thanks for “stepping up to the plate” on this issue. Your failure to do so would be disastrous for all banks, but especially to community banks that do not have the resources to battle large audit firms. Safety and soundness of the industry truly would be at risk.

Please feel free to contact me if you have any questions. Thanks again for the opportunity to comment.

Sincerely,

Blair A. Hillyer  
President

BAH/kmn